Placement Only
No Severance Benefits

Description:
Certain part-time classified and part-time and full-time restricted employees are eligible for layoff benefits only, which include placement options according to Policy 1.30, Layoff.

Impact on Health Benefits:
Health benefits terminate at the end of the month in which the layoff occurs. Exception: If employee is receiving VSDP STD or LTD-Working disability benefits at the time of Layoff, employee will continue to have health benefits through VSDP.

Allowable Changes to Membership Level or Plan:
Not applicable.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account):
The **Premium Payment Option** selected by the employee continues through the end of the month in which the layoff occurs.
The **Medical and Dependent Care Reimbursement Accounts** terminate at the end of the month in which the layoff occurs.

Extended Coverage:
When health care coverage ends the agency must offer an 18-month period of Extended Coverage to all covered persons. Participants may change plans when enrolling in Extended Coverage.
Medical Reimbursement Account participants may be eligible for Extended Coverage for the remainder of the plan year.

Health Insurance Portability and Accountability Act (HIPAA):
Participants who cease to be covered by health care for any reason must be issued a Certificate of Group Health Plan Coverage.

Voluntary Long Term Care Insurance:
Terminating employees in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Reduction or Placement to Part-time Within the Same Agency

Description:
A full-time classified position may be permanently reduced to part-time status or an employee may accept placement in a part-time position (minimum of 20 hours per week). If the employee accepts the part-time position, he or she is eligible for recall rights and continuation of health benefits for one year. If an eligible employee declines the part-time position, he or she may be eligible for layoff and severance benefits.

Impact on Health Benefits:
Health care eligibility continues for 12 months following the effective date of beginning part-time status. The agency continues to pay its portion of the premium for the 12-month period and the employee is responsible for paying his or her share of the premium.

Allowable Changes to Membership Level or Plan:
Employees are eligible to make consistent qualifying mid-year event changes during the 12 month period that health benefits continue by using EmployeeDirect or submitting a completed Enrollment Form to the agency within 31 days of the event.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account):
Premium Payment Option – The employee remains in the same premium payment option selected before beginning part-time status. Health care premiums will be deducted pre- or after-tax from the part-time salary, if the salary supports the premium. If the salary does not support the premium, the employee is responsible for timely payment of premiums (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage.

Medical and Dependent Care Reimbursement Accounts – Participation may continue for 12 months following the effective date of beginning part-time status. Contributions for reimbursement accounts will be payroll deducted unless the contributions are more than the salary, in which case the employee is responsible for timely payment of the contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account(s). Employees are eligible to make consistent qualifying mid-year event changes during the 12 month period that reimbursement accounts continue by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the agency within 31 days of the event.

Extended Coverage:
At the end of the 12-month period of health care coverage with the agency contribution continuing, the agency must offer an 18-month period of Extended Coverage to all covered persons. Participants cancelled for non-payment of health care premiums are to be offered Extended Coverage for an 18-month period at the end of the last full month in which the employee portion of the premium was paid.
Medical Reimbursement Account participants may be eligible for Extended Coverage. Participants losing eligibility for the health benefits program may be offered extended coverage following the last full month for which contributions were received and continuing through the remainder of the plan year.

Health Insurance Portability and Accountability Act (HIPAA):
Participants who cease to be covered by health care for any reason including the end of the 12-month period of health care with the agency contribution continuation or cancellation for non-payment, must be issued a Certificate of Group Health Plan Coverage.

Voluntary Long Term Care Insurance:
Premium payments will be deducted from the part-time salary if the salary allows for the deduction. If the part-time salary does not support the deduction, participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Severance and Placement

Description:
Provides benefits to eligible full-time and part-time classified and restricted employees who have been involuntarily separated from state service by Layoff. Layoff benefits include agency placement, recall, interagency placement (Yellow Form), preferential hire (Blue Card), and Re-Op Pool. Severance includes severance payments, employer paid health care and life insurance premiums or enhanced retirement option. Part-time employees are not eligible for health care or the enhanced retirement option.

Impact on Health Benefits:
Health care eligibility continues for 12 months following the effective date of leave without pay-layoff. The agency continues to pay its portion of the premium for the 12-month period and the employee is responsible for paying his or her share of the premium. Failure to make premium payments timely will result in termination of coverage at the end of the last full month in which the employee portion of the premium was paid. If the employee declines recall and severance benefits are terminated, health benefits end the last day of the month in which recall was declined.

Allowable Changes to Membership Level or Plan:
Employees are eligible to make consistent qualifying mid-year event changes during the 12 month period that health benefits continue by using EmployeeDirect or submitting a completed Enrollment Form to the agency within 31 days of the event.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account):
Premium Payment Option – The employee remains in the same premium payment option selected before beginning leave without pay-layoff. Deduct health care premiums from the severance payment with pre-or after-tax option. When severance payments end, the employee is responsible for timely premium payments (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage the end of the last full month in which the employee portion of the premium was paid. If the employee declines recall and severance benefits are terminated, health benefits end the last day of the month in which recall was declined.

Medical and Dependent Care Reimbursement Accounts – Participation may continue for 12 months following the effective date of the leave without pay-layoff. Contributions for reimbursement accounts will be payroll deducted from severance payments. When severance payments end, the employee is responsible for timely payment of contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account(s).

Employees are eligible to make consistent qualifying mid-year event changes during the 12 month period that reimbursement accounts continue by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the Agency within 31 days of the event. If the employee declines recall and severance benefits are terminated, accounts end the last day of the month in which recall was declined.

Extended Coverage:
At the end of the 12-month period of health care coverage with the agency contribution continuing, the agency must offer an 18-month period of Extended Coverage to all covered persons. Participants cancelled for non-payment or declining recall to another position are to be offered Extended Coverage for an 18-month period at the end of the last full month in which the employee portion of the premium was paid.

Medical Reimbursement Account participants may be eligible for Extended Coverage. Participants losing eligibility for the health benefits program may be offered extended coverage following the last full month for which contributions were received and continuing through the remainder of the plan year.

Health Insurance Portability and Accountability Act (HIPAA):
Participants who cease to be covered by health care for any reason including the end of the 12-month period of health care with the agency contribution continuation, declining recall or cancellation for non-payment, must be issued a Certificate of Group Health Plan Coverage.

Voluntary Long Term Care Insurance:
Premiums may be deducted from severance payments. At the end of severance payments, participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Temporary Work Force Reduction
Reduced Hours

Description:
Temporary Work Force Reduction (TWFR) permits agencies to reduce classified employees' work hours temporarily. Such reductions are limited to no more than 690 hours in a 365-day period.

Impact on Health Benefits:
Health care eligibility continues for the period of TWFR. The agency continues to pay its portion of the premium and the employee is responsible for paying his or her share of the premium.

Allowable Changes to Membership Level or Plan:
Employees are eligible to make consistent qualifying mid-year event changes during the TWFR period by using EmployeeDirect or submitting a completed Enrollment Form to the agency within 31 days of the event.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account):
Premium Payment Option – The employee remains in the premium payment option selected prior to TWFR. Premiums may be payroll deducted with pre- or after-tax option if the salary supports the premium. If the salary does not support the premium, the employee is responsible for the timely payment of premiums (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage.

Medical and Dependent Care Reimbursement Accounts – Participation may continue through the end of TWFR. Participants may make consistent qualifying mid-year event changes during the TWFR period by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the agency within 31 days of the event. Contributions for reimbursement accounts will be payroll deducted unless the contributions are more than the salary, in which case the employee is responsible for timely payment of the contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account(s). If the account is terminated, the employee may not reenroll in the Medical Reimbursement Account for the remainder of the plan year.

Extended Coverage:
No Extended Coverage notification is required.

If **Health Benefits** are terminated for non-payment and the employee is on leave with reduced hours for less than 30 days and subsequently returns to work, the employee must return to the same plan, membership level and premium payment option in which he was enrolled prior to the leave.

If **Health Benefits** are terminated for non-payment and the employee is on leave with reduced hours for more than 30 days and subsequently returns to work, the employee will be given the opportunity to enroll in a plan, select a membership level and choose a premium payment option if the election is made within 31 days of ending the leave.

Health Insurance Portability and Accountability Act (HIPAA):
Participants who cease to be covered by health care for any reason including cancellation for non-payment, must be issued a Certificate of Group Health Plan Coverage.

Voluntary Long Term Care Insurance:
Premium payments may be payroll deducted for participants working reduced hours. Non-working and terminating participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Temporary Work Force Reduction Unpaid

Description:
Temporary Work Force Reduction permits agencies to place classified employees in a non-working status for one or more pay periods temporarily. Such reductions are limited to no more than 690 hours in a 365-day period.

Impact on Health Benefits:
Health care eligibility continues for the period of the unpaid TWFR. The agency continues to pay its portion of the premium and the employee is responsible for paying his or her share of the premium.

Allowable Changes to Membership Level or Plan:
Employees are eligible to make consistent qualifying mid-year event changes during the TWFR period by using EmployeeDirect or submitting a completed Enrollment Form to the agency within 31 days of the event.

Flexible Benefits (Pre-Tax Option, Medical Reimbursement Account, Dependent Care Reimbursement Account):
Premium Payment Option – The employee in non-working status is responsible for the timely payment of premiums (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage.

Medical and Dependent Care Reimbursement Accounts – Participation may continue through the end of TWFR. Participants may make consistent qualifying mid-year event changes during the TWFR period by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the agency within 31 days of the event. The employee is responsible for timely payment of the reimbursement account contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account(s). If the account is terminated, the employee may not reenroll in the Medical Reimbursement Account for the remainder of the plan year.

Extended Coverage:
No Extended Coverage notification is required.

If **Health Benefits** are terminated for non-payment and the employee is on unpaid leave for less than 30 days and subsequently returns to work, the employee must return to the same plan, membership level and premium payment option in which he was enrolled prior to the leave.

If **Health Benefits** are terminated for non-payment and the employee is on unpaid leave for more than 30 days and subsequently returns to work, the employee may make an election to enroll in a plan, select a membership level and premium payment option if the election is made within 31 days of returning from leave.

Health Insurance Portability and Accountability Act (HIPAA):
Participants who cease to be covered by health care for any reason including cancellation for non-payment, must be issued a Certificate of Group Health Plan Coverage.

Voluntary Long Term Care Insurance:
Non-working and terminating participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Married Double State

Severance Only, Severance and Placement, and Severance and Service Retirement

Double State membership may continue for the 12-month leave without pay-layoff. Either spouse may pay for coverage. Beginning leave without pay-layoff is an event which allows the non-paying (waived) spouse to enroll in the Married Double State membership.

Paying Spouse Laid Off and Non-Paying Spouse Enrolls Married Double State:
The same plan, membership and premium payment option must be maintained. When eligibility for the Married Double State membership ends and the laid off spouse is terminated, the system will automatically change the membership to Family effective the first of the month following termination.

Paying Spouse Laid Off But Continues Married Double State:
When eligibility for coverage ends (at end of 12 months, declining recall or cancellation for non-payment) the coverage is terminated. The non-paying (waived) spouse may then enroll in coverage with a family membership. This change must be made within 31-days of the paying spouse's termination of coverage and it is effective prospectively. To avoid a break in coverage, submit the enrollment action (EmployeeDirect or Enrollment Form) before coverage ends.

Enhanced Retirement

Description: Employees eligible for the Workforce Transition Act severance benefits may elect to receive the enhanced retirement option in lieu of the cash severance benefit and employer paid health care and life insurance premiums. The value of the health care employer premium is based on the employer portion of the health plan premium that is in place immediately prior to retirement (same plan, same membership level) multiplied by 12 months. Retirement cannot be deferred.

Employees in double state coverage will also use the existing plan's employer contribution as the basis for their calculation. However, the employee who is paying the premium at the time of enhanced retirement will use the family contribution level, and the employee who is not paying the premium at the time enhanced retirement will use the single premium contribution level. The amount used is the regular employer contribution, not the double state contribution.

Form VRS-11 includes a worksheet for calculating this benefit.

Impact on Health Benefits: Employees electing Enhanced Retirement will be treated as any retiree for purposes of health plan enrollment. If eligible, they may elect coverage in the State Retiree Health Benefits Program by submitting an enrollment form to their agency Benefits Administrator within 31 days of their retirement date.

Allowable Changes to Membership Level or Plan: Like any new service retiree, Enhanced Retirement participants may change plans, reduce membership or enroll in single coverage from waive at the time of retirement. Increasing membership at retirement is not allowed unless there is another consistent qualifying midyear event that would allow the addition.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account): Enhanced Retirement participants may continue their Medical Reimbursement Account by electing Extended Coverage through the end of the plan year in which they retire. They may not enroll for benefits beyond that plan year.

Extended Coverage: Like any service retiree, Enhanced Retirement participants must, by law, be offered Extended Coverage at the start of their retirement. However, retirees who enroll in the State Retiree Health Benefits Program may wish to decline Extended Coverage enrollment, which is limited to 18 months in duration and includes an additional 2% administrative fee, in favor of enrollment in the state program (see *Impact on Health Benefits* above).

Health Insurance Portability and Accountability Act (HIPAA): Enhanced Retirement participants should be provided a HIPAA Certificate of Creditable Coverage upon the termination of their active coverage.

Long Term Care: Retiring participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Employees on Long Term Disability-Working

Description: Employees on Long Term Disability-Working at the time of layoff will be placed on Long Term Disability (not working) immediately upon the effective date of layoff and, if eligible, receive severance benefits. Eligible employees will receive VSDP and severance benefits concurrently. See Policy 1.57.

Impact on Health Benefits: Employees who move from Long Term Disability-Working to Long Term Disability (LTD) benefits simultaneously with receipt of severance benefits will be provided 12 months of health plan coverage (starting with the first full month of LTD/severance benefits) with continued agency contribution. Participants will remain in the agency's active employee group for purposes of continued payment of the monthly premium until the expiration of the 12-month benefit. At the end of the severance payment period (or when the severance benefit can no longer accommodate the employee portion of the premium), the agency will be responsible for collecting the employee contribution until the end of the 12-month benefit. Participants who are on Long Term Disability and receiving severance benefits are not entitled to a Health Insurance Credit.

Participants may enroll/waive in the State Retiree Health Benefits Program as an LTD participant by completing a Retiree/LTD Enrollment/Waiver Form within 31 days of the end of their 12-month WTA health benefit period. Upon timely enrollment in the retiree/LTD group, the participant will be billed directly by the health plan carrier for the full amount of his or her monthly premium.

LTD participants who are eligible for Medicare may be maintained in the non-Medicare plan in which they were enrolled prior to layoff during the 12-month WTA coverage period; however, Medicare should be the primary payer of benefits. At the end of the 12-month WTA coverage period and upon enrollment in the retiree/LTD group, the participant must elect a plan that coordinates with Medicare.

LTD participants whose coverage is terminated for non-payment during the 12-month WTA health benefit period may enroll in the retiree/LTD group within 31 days of the loss of active/WTA coverage.

Allowable Changes to Membership Level or Plan: At the end of the 12-month WTA coverage period, participants may reduce membership or waive coverage per normal plan provisions for LTD participants. Initial waiver of coverage as an LTD participant must be made within 31 days of the end of the 12-month coverage period. Otherwise, failure to take a timely enrollment action or cancellation of the LTD participant's coverage outside of open enrollment and without a qualifying midyear event will result in loss of re-enrollment rights for the duration of LTD. Please refer to Retiree Fact Sheet #11, ***VSDP/LTD Participants and the State Retiree Health Benefits Program***, for more information about LTD participants' enrollment in the State Retiree Health Benefits Program.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account:

Premium Payment Option – The employee remains in the premium payment option selected prior to 12-month WTA. Premiums may be payroll deducted with pre- or after-tax option if the salary supports the premium. If the salary does not support the premium, the employee is responsible for the timely payment of premiums (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage.

Medical and Dependent Care Reimbursement Accounts – Participation may continue for 12 months WTA. Participants may make consistent qualifying mid-year event changes during this period by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the agency within 31 days of the event. Contributions for reimbursement accounts will be payroll deducted unless the contributions are more than the salary, in which case the employee is responsible for timely payment of the contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account(s). If terminated, the employee may not reenroll in the Medical Reimbursement Account for the remainder of the plan year.

Extended Coverage: Extended Coverage for health benefits should be offered for 18 months at the expiration of the 12-month WTA benefit, or at any time during the 12-month period if coverage is terminated due to non-payment of premiums. (LTD participants who are not enrolled in health plan coverage either at the start of LTD or the end of the 12-month WTA benefit period may elect single coverage within 31 days of their LTD start date or the end of the 12-month benefit period. When there is no coverage prior to the event, Extended Coverage does not apply.) While most participants will not elect Extended Coverage in lieu of LTD/retirement program benefits, they must, by law, receive the offer. If LTD benefits end before the 18-month Extended Coverage period has elapsed, they may enroll for any remaining Extended Coverage

months by submitting their Extended Coverage election and enrollment forms to VRS within 60 days of their loss of coverage in the LTD group.

Medical Reimbursement Account participants may be eligible for Extended Coverage of the existing medial account at the end of the 12-month period not to extend beyond that calendar year.

Health Insurance Portability and Accountability Act (HIPAA): A HIPAA Certificate of Creditable Coverage should be issued at the end of the 12-month WTA benefit and at any time thereafter when coverage ends.

Long Term Care: LTD participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage or obtain additional information by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Severance and Retirement

Description: Eligible employees electing severance payments may retire during the 12-month period of receipt of severance benefits (severance payments, employer paid health care and life insurance premiums) provided under the Workforce Transition Act. Retiree health benefits will be available for eligible service retirees immediately following the 12-month health plan coverage period. Retirement that occurs with a break after the 12-month period will be considered deferred, and retiree health benefits will no longer be available*

*There is an exception for identified involuntarily-terminated employees with at least 20 years of creditable service who defer retirement and who may enroll at a later date per provisions of the Code of Virginia.

Impact on Health Benefits: Employees who elect service retirement or are approved for disability retirement during their 12-month WTA continued health benefit period will remain in the agency's active employee group in order for the agency to continue paying for the employee's/retiree's health benefit premium until the expiration of the 12-month benefit. At the end of the severance payment period (or when the severance benefit can no longer accommodate the employee portion of the premium), the agency will be responsible for collecting the employee portion of the premium until the end of the 12-month benefit. If the employee is eligible for a benefit under the Health Insurance Credit Program, he or she should submit a Retiree Health Insurance Credit Form (VRS-45) to the Virginia Retirement System. (Eligible employees may apply for reimbursement of the employee contribution to the active premium.)

Eligible retirees may enroll in the State Retiree Health Benefits Program by completing a Retiree Enrollment/Waiver form within 31 days of the end of their 12-month WTA health benefit. Upon timely enrollment in the retiree group, VRS will begin deducting the full premium amount from the retiree's monthly annuity. If the annuity is not large enough to support the monthly premium, the retiree will be billed directly by the carrier. All eligible Optional Retirement Plan (ORP) Retirees or Local Retirees will be billed directly by the carrier for their health plan premium at the expiration of the 12-month WTA benefit. If a Health Insurance Credit is payable, the amount will be adjusted accordingly to reflect the full cost of retiree coverage.

Retirees who are eligible for Medicare may be maintained in the non-Medicare plan in which they were enrolled prior to layoff during the 12-month WTA coverage period; however, Medicare should be the primary payer of benefits. At the end of the 12-month coverage period and upon enrollment in the retiree group, the participant must elect a plan that coordinates with Medicare.

Retirees for whom coverage is terminated for non-payment during the 12-month WTA health benefit period may enroll in the retiree group within 31 days of the loss of active/WTA coverage.

Allowable Changes to Membership Level or Plan: At the end of the 12-month coverage period, participants may change plans, reduce membership or waive coverage per normal provisions of the retiree program. A waiver to coverage as a dependent under another state participant must be made within 31 days of the end of the 12-month coverage period if the waiver is to be in effect immediately. Please refer to Retiree Fact Sheet #4, ***Making Changes***, for more information about allowable changes in the retiree program.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account:

Premium Payment Option – The employee remains in the premium payment option selected prior to 12-month WTA. Premiums may be payroll deducted with pre- or after-tax option if the salary supports the premium. If the salary does not support the premium, the employee is responsible for the timely payment of premiums (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage.

Medical and Dependent Care Reimbursement Accounts – Participation may continue for 12 months WTA. Participants may make consistent qualifying mid-year event changes during this period by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the agency within 31 days of the event. Contributions for reimbursement accounts will be payroll deducted unless the contributions are more than the salary, in which case the employee is responsible for timely payment of the contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account(s). If terminated, the employee may not reenroll in the Medical Reimbursement Account for the remainder of the plan year.

Extended Coverage: Extended Coverage for health benefits should be offered for 18 months at the expiration of the 12-month WTA benefit. (Retirees who are not enrolled in health plan coverage either at the time of retirement or at the end of the 12-month WTA benefit period may elect single coverage within 31 days of their retirement date or the end of the 12-month benefit period. When there is no coverage prior to the event, Extended Coverage does not apply.) While most participants will not elect Extended Coverage in lieu of retirement program benefits, they must, by law, receive the offer.

Medical Reimbursement Account participants may be eligible for Extended Coverage of the existing medial account at the end of the 12-month period not to extend beyond that calendar year.

If the employee/retiree is terminated for non-payment during the 12-month WTA benefit period, Extended Coverage should be offered starting with the first month in which coverage is lost.

Health Insurance Portability and Accountability Act (HIPAA): A HIPAA Certificate of Creditable Coverage should be issued at the end of the 12-month WTA benefit period and at any time thereafter when coverage ends.

Long Term Care: New retirees who were enrolled in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage through direct billing or obtain additional information by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Employee Actions in Lieu of Layoff
Service Retirement

Description: If the employee is eligible and/or the option is available, employees may elect to retire in lieu of layoff.

Impact on Health Benefits: Employees electing to take service retirement in lieu of layoff will be treated in the same manner as any employee under the same circumstances. Eligible retirees must enroll within 31 days of their retirement date to elect coverage in the retiree group.

Allowable Changes to Membership Level or Plan: Please refer to your Health Insurance Manual for allowable changes based on retirements. There are no additional changes allowed based on the potential for layoff.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account): Retirees may continue their Medical Reimbursement Account through Extended Coverage up to the end of the plan year in which they retire. They may not enroll for benefits beyond that plan year. Participation in a Dependent Care Reimbursement Account will stop at the end of the month in which the last full month's contribution is collected.

Extended Coverage: Retirees who are enrolled in a health plan on the day before their retirement date should be offered Extended Coverage for 18 months, and it will run concurrently with their retirement election, if applicable.

Health Insurance Portability and Accountability Act (HIPAA): Retirees should be provided a HIPAA Certificate of Creditable Coverage upon the termination of their active coverage.

Long Term Care: Retiring participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Employees on Short Term Disability

Description: Eligible employees receiving Short Term Disability benefits at the time of layoff may be eligible to receive Severance Benefits covered by the Workforce Transition Act. Severance benefits include severance payments determined by years of continuous salaried state service; employer paid health care and life insurance premiums; or enhanced retirement option.

Impact on Health Benefits: Eligible employees on Short Term Disability at the time of layoff who choose severance payments will be provided 12 months of health plan coverage with continued agency contribution running concurrently with severance benefits, Short Term Disability and Long Term Disability, if applicable. If Short Term Disability benefits are exhausted during the 12-month WTA health benefit period and the employee remains disabled, the employee is placed in Long Term Disability (LTD) but continues to receive the agency contribution until the end of the 12-month period. The employee will remain in the agency's active employee group until the expiration of the 12-month benefit for purposes of continued payment of the monthly premium. At the end of the severance payment period (or when the severance benefit can no longer accommodate the employee portion of the premium), the agency will be responsible for collecting the employee contribution until the end of the 12-month benefit. Participants who move to LTD during the 12-month period during which severance benefits are received will not be entitled to a Health Insurance Credit.

Long Term Disability participants may enroll/waive in the State Retiree Health Benefits Program by submitting a Retiree/LTD Enrollment/Waiver Form to their agency Benefits Administrator within 31 days of the end of their 12-month WTA health benefit period. Upon timely enrollment in the retiree/LTD group, the participant will be billed directly by the health plan carrier for the full amount of his or her monthly premium.

LTD participants who are eligible for Medicare may be maintained in the non-Medicare plan in which they were enrolled prior to layoff during the 12-month WTA coverage period; however, Medicare should be the primary payer of benefits. At the end of the 12-month coverage period, the participant must elect a plan that coordinates with Medicare.

LTD participants for whom coverage is terminated for non-payment during the 12-month WTA coverage period may enroll in the retiree/LTD group within 31 days of the loss of active/WTA coverage.

Employees that choose the Enhanced Retirement Option will be separated and VSDP benefits will cease.

Allowable Changes to Membership Level or Plan: At the end of the 12-month WTA coverage period, participants may reduce membership or waive coverage per normal plan provisions for LTD participants. Initial waiver of coverage as an LTD participant must be made within 31 days of the end of the 12-month coverage period. Otherwise, failure to take a timely enrollment action or cancellation of the LTD participant's coverage outside of open enrollment and without a qualifying midyear event will result in loss of re-enrollment rights for the duration of LTD. Please refer to Retiree Fact Sheet #11, ***VSDP/LTD Participants and the State Retiree Health Benefits Program***, for more information about LTD participants' enrollment in the State Retiree Health Benefits Program.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account:

Premium Payment Option – The employee remains in the premium payment option selected prior to 12-month WTA. Premiums may be payroll deducted with pre- or after-tax option if the salary supports the premium. If the salary does not support the premium, the employee is responsible for the timely payment of premiums (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage.

Medical and Dependent Care Reimbursement Accounts – Participation may continue for 12 months WTA. Participants may make consistent qualifying mid-year event changes during this period by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the agency within 31 days of the event. Contributions for reimbursement accounts will be payroll deducted unless the contributions are more than the salary, in which case the employee is responsible for timely payment of the contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account(s). If terminated, the employee may not reenroll in the Medical Reimbursement Account for the remainder of the plan year.

Extended Coverage: Extended Coverage for health benefits should be offered for 18 months at the expiration of the 12-month WTA benefit, or at any time during the 12-month period if coverage is terminated due to non-payment of premiums. (LTD participants who are not enrolled in health plan coverage either at the start of LTD or the end of the 12-month WTA benefit period may elect single coverage within 31 days of their LTD start date or the end of the 12-month benefit period. When there is no coverage prior to the event, Extended Coverage does not apply.) While most participants will not elect Extended Coverage in lieu of LTD/retirement program benefits, they must, by law, receive the offer. If LTD benefits end before the 18-month Extended Coverage period has elapsed, they may enroll for any remaining Extended Coverage months by submitting their Extended Coverage election and enrollment forms to VRS within 60 days of their loss of coverage in the LTD group.

Medical Reimbursement Account participants may be eligible for Extended Coverage of the existing medial account at the end of the 12-month period not to extend beyond that calendar year.

Health Insurance Portability and Accountability Act (HIPAA): A HIPAA Certificate of Creditable Coverage should be issued at the end of the 12-month WTA benefit period and at any time thereafter when coverage ends.

Long Term Care: LTD participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage or obtain additional information by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.

Severance Only

Description:
Provides severance benefits to eligible part-time classified and eligible full-time and part-time restricted employees who have been involuntarily separated from state service by Layoff, and who are not eligible to receive Layoff Benefits. Severance benefits include: severance payments; continued state contribution toward health and life insurance premiums; or the enhanced retirement option. Part-time employees are only eligible to receive severance payments and continued contribution towards life insurance premiums.

Impact on Health Benefits:
Health care eligibility continues for 12 months following the effective date of leave without pay-layoff. The agency continues to pay its portion of the premium for the 12-month period and the employee is responsible for paying his or her share of the premium. Failure to make premium payments timely will result in termination of coverage the end of the last full month for which the employee portion of the premium was paid. If the employee declines recall and severance benefits are terminated, health benefits end the last day of the month in which recall was declined.

Allowable Changes to Membership Level or Plan:
Employees are eligible to make consistent qualifying mid-year event changes during the 12 month period that health benefits continue by using EmployeeDirect or submitting a completed Enrollment Form to the agency within 31 days of the event.

Flexible Benefits (Premium Payment Option, Medical Reimbursement Account, Dependent Care Reimbursement Account):
Premium Payment Option – The employee remains in the same premium payment option selected before beginning leave without pay-layoff. Deduct health care premiums from the severance payment with pre-or after-tax option. When severance payments end, the employee is responsible for timely premium payments (after-tax) directly to the agency. Failure to make premium payments timely will result in termination of coverage the end of the last full month for which the employee portion of the premium was paid. If the employee declines recall and severance benefits are terminated, health benefits end the last day of the month in which recall was declined.

Medical and Dependent Care Reimbursement Accounts – Participation may continue for 12 months following the effective date of the leave without pay-layoff. Contributions for reimbursement accounts will be payroll deducted from severance payments. When severance payments end, the employee is responsible for timely payment of contributions (after-tax) directly to the agency. Failure to pay contributions timely will result in termination of the account.

Employees are eligible to make consistent qualifying mid-year event changes during the 12 month period that reimbursement accounts continue by using EmployeeDirect or submitting a completed Flexible Enrollment Account Election Form to the Agency within 31 days of the event. If the employee declines recall and severance benefits are terminated, accounts end the last day of the month in which recall was declined.

Extended Coverage:
At the end of the 12-month period of health care coverage with the agency contribution continuing, the agency must offer an 18-month period of Extended Coverage to all covered persons. Participants cancelled for non-payment or declining recall to another position are to be offered Extended Coverage for an 18-month period at the end of the last full month for which the employee portion of the premium was paid.

Medical Reimbursement Account participants may be eligible for Extended Coverage. Participants losing eligibility for the health benefits program may be offered extended coverage following the last full month for which contributions were received and continuing through the remainder of the plan year.

Health Insurance Portability and Accountability Act (HIPAA):
Participants who cease to be covered by health care for any reason, including the end of the 12-month period of health care with the continued agency contribution, declining recall or cancellation for non-payment, must be issued a Certificate of Group Health Plan Coverage.

Voluntary Long Term Care Insurance:
Premiums may be deducted from severance payments. At the end of severance payments, participants in the DHRM (voluntary) Long Term Care Plan may arrange for continuation of their coverage by contacting Aetna at 1-877-894-2471. Questions regarding the VSDP Long Term Care Program should be directed to the Virginia Retirement System at 1-888-827-3847.